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CENTRAL INTELLIGENCE AGENCY

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CCP PROMOTES DOMESTIC TRADE, CONTROLS EXPORTS

NORTH CHINA -- MANCHURIA TRADE INCREASES -- Hua Shang Pao, 9 Aug 49

Incomplete statistics covering the 2½ months from the first of May to mid-July show that trade between the Northeast and North China amounted to 1,125,800,000 yuan in Northeast currency during that period. Over 88 percent of the goods shipped to the Northeast came from North China, and over 11 percent from East China. Classified by agency, 50 percent of North China exports were handled by the State Trading Corporation, 23 percent by private merchants, and the remainder by cooperatives. Exports from Manchuria were chiefly grain, bean cake, beans, bean oil, iron, lumber, wild and herbs, hides and furs, and some manufactured goods.

Abnormal prices of certain goods in the Northeast began to drop as a result of the influx. Goods made in the Northeast, because of market demand from other areas have risen slightly in price in certain instances, but on the whole the situation may be called stable. Since certain goods coming from North China are of high quality and reasonable in price, the marketing of certain light industry products of the Northeast has been affected, but such phenomena are both necessary and right, and serve the purpose of improving technique and management, raising quality and lowering cost. Light industries in the Northeast are now seeking improvement.

SHANG-HAI TRADES WITH INTERIOR AND USSR -- Wen-hui Pao, 12 Aug 49

Shang-hai, 10 August 1949 -- Shang-hai plants have changed their production policies to conform with the present political situation. The Hain-kuang Undergarment Factory, which formerly produced undergarments for export to the South Seas, now produces cloth for distribution to the farm areas. The Chin-keng Rubber Factory now makes shoes for farmers. The Chang-hua Wool Weaving Factory is using wool as a substitute for imported wool, the An-lo Factory utilizes cotton felt to make uniforms, and the Ming-hsing Perfume Factory is producing soap for domestic consumption.

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Goods that formerly were exported abroad from Shang-hai are to be re-routed to North China. There are 800 tons of tung oil and 10,000 piculs (1 picul equals 133.3 pounds) of tea ready for transportation.

Of the approximately 25,000 automobiles in the city of Shang-hai, 14,000 are now in operation. Two thirds of the vehicles are passenger cars. The total consumption of gasoline per day is 10,000 gallons. The fuel systems of all public vehicles and busses are to be converted to enable them to consume charcoal, wood, or gas.

Shen-yang, 10 August 1949, (NCNA) -- The Northeast Export Company has decided to ship 20,000 tons of rice, 10,000 tons of soya beans and 30,000 cubic meters of lumber into Shang-hai. The first shipment of soya beans, consisting of 390 tons, was shipped from Ha-erh-pin on 8 August 1949, and a special shipment of 4,000 tons of rice is being prepared. At the rate of a 1,000 ton-per-day food shipment to Shang-hai, shipment of 30,000 tons of rice and soya beans will be completed in one month.

Shang-hai, 10 August 1949 (NCNA) -- The Shang-hai East China Trading Corporation and the Wu-han Central China Trading Corporation have arrived at a trade agreement, designed to promote domestic exchange of goods. In the months of August and September 1949, Central China is to ship to Shang-hai 180,000 piculs of cotton and 80,000,000 catties (1 catty equals 1.3 pounds) of rice. East China is to furnish Central China with 20,000 to 30,000 parcels of cotton yarn and 200,000 bolts cloth. Northeast China is to ship 2 million catties of rice to Shang-hai before 15 September 1949. In return, Shang-hai is to ship cotton yarn, cloth, turkish towels, and soap. The first shipment of 500 tons of coal produced in Lo-p'ing, Kiangsi has been made to Shang-hai.

Shang-hai, 11 August 1949 -- The Shang-hai Hog Bristle Factory, a subsidiary of the China Hog Bristle Company and the head office of the East China District Foreign Trade Corporation, has resumed operations. Bristles on hand have been processed and packed for shipment to the Soviet Union via T'ien-ching.

NCPG PROMOTES URBAN-RURAL TRADE -- Ta Kung Pao, 10 Aug 49

Pei-p'ing -- The North China People's Government, observing that some local authorities have made rulings on the movement of goods that hinder trade between the cities and the rural areas, on 16 July 1949 promulgated new regulations as follows:

1. No local authorities may set up regulations hindering the free movement of goods.
2. The various marketing organs set up in cities are to promote all legal trade, at the same time preventing illegal transactions and monopolistic practices.
3. Since the currencies in the liberated areas have been standardized, there is no necessity for great variations in prices and local authorities should not attempt price controls independently of the central authorities.
4. The local authorities should actively assist industries in securing raw materials and assist exporters, particularly, to secure goods for export.
5. Since all neighboring administrative areas are now liberated, trade in all articles except tobacco and liquor (which are temporarily under embargo) should be freely promoted among these various areas.

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NORTH CHINA CONTROLS EXPORT GOODS -- Wen-hui Pao, 16 Aug 49

An import-export company in Hong Kong received a dispatch from T'ien-ching, on 15 August 1949, saying that the North China government has issued regulations limiting the export of all egg products, liquors, horse tails, rugs, and soy bean products produced in North China. This regulation is to be effective from 3 August 1949. Formerly these products could be freely purchased on the market for use in exporting or bartering for imports. Importers now receive permission to export these products only by transferring them to the Trade Bureau for goods needed by North China, or commodities designated by the Trade Bureau. In other words, these articles are now in the category of controlled exports. Restrictions will be lifted only for exporters who use the export exchange clearance certificate procedure.

It is also reported the North China Trade Bureau is preparing to abolish barter trade completely and constitute the exchange clearance system for the export of all local products.

CHINESE AND JAPANESE ENTERPRISES MAKE TRADE AGREEMENTS -- Ta Kung Pao, 28 Jul 49

Tokyo, 27 July 1949 (Reuters) -- One thousand tons of Japanese electrolytic copper wire will reach T'ien-ching from Japan within the next 3 weeks. Trade between Japan and the Communist-held portion of China will resume. The Central Enterprise Company of T'ien-ching has made trade agreements with a Japanese company.

McArthur's deputy in charge of Foreign trade approved the contract which authorizes the agreement. This document states that transactions between private businesses have no bearing or relationship on the business policies between the United States and the Chinese Central Government.

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